

Introduced by Senator Alarcon

January 28, 2004

An act to add Part 4 (commencing with Section 18000) to Division 7 of the Business and Professions Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

SB 1156, as introduced, Alarcon. Microenterprise.

Existing law authorizes the State Department of Social Services, with the consent of participating counties, to implement demonstration projects to provide self-employment training and technical assistance, including microenterprise demonstration projects, to CalWORKs recipients and persons at risk of receiving those benefits.

This bill would declare the intent of the Legislature to encourage access to microenterprise development in order to create new jobs and income opportunities for individuals of low- and moderate-income. The bill would urge California communities and the public agencies that serve them to promote local partnerships that invest in microenterprise development.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 4 (commencing with Section 18000) is
2 added to Division 7 of the Business and Professions Code, to read:

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4 PART 4. MICROENTERPRISES

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6 18000. The Legislature hereby declares all of the following:



1 (a) Microenterprises create jobs, build the economies of
2 communities, and help individuals and families earn the income
3 needed to be economically self-sufficient.

4 (b) Microenterprises are generally started by individuals of
5 low- and moderate-income for the purpose of creating a job or
6 extra income for themselves and their families.

7 (c) Seventy-two percent of low-income microentrepreneurs
8 increased their household income over five years by an average of
9 eight thousand four hundred eighty-four dollars (\$8,484), and 61
10 percent decreased their reliance on public assistance.

11 (d) Individuals who seek to create their own employment
12 opportunities through a microenterprise could benefit from
13 training, technical assistance, and access to capital.

14 (e) Healthy microenterprises are vital to the California
15 economy.

16 (f) Between 1995 and 2000, 44 percent of all new job growth
17 in California was created by microenterprises.

18 (g) In 2000, 2.2 million Californians were either self-employed
19 or working for a microenterprise.

20 18001. (a) (1) For purposes of this part, “microenterprise”
21 means a sole proprietorship, partnership, or corporation that meets
22 all of the following requirements:

23 (A) Has fewer than five employees, including the owner.

24 (B) Is part time or full time.

25 (C) Generally lacks access to conventional loans, equity, or
26 other banking services.

27 (2) Microenterprises are distinct from small businesses or
28 microbusinesses and include, but are not limited to, businesses that
29 provide child development services, businesses that provide
30 landscaping services, businesses that provide building
31 maintenance, businesses that provide personal and business
32 services, businesses that provide specialty food products, and
33 home-based businesses.

34 (b) For purposes of this part, “microenterprise development
35 provider” means a nonprofit or public agency that provides
36 self-employment training, technical assistance, and access to
37 microloans to individuals seeking to become self-employed or to
38 expand their current business.

39 18002. (a) It is the intent of the Legislature to encourage
40 access to microenterprise development in order to create new jobs

1 and income opportunities for individuals of low- and
2 moderate-income.
3 (b) California communities and the public agencies that serve
4 them, such as workforce investment boards, community colleges,
5 and local economic development agencies, are urged to promote
6 local partnerships that invest in microenterprise development.

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